GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3664
ANSWERED ON:07.08.2002
INCREMENTAL CAPITAL OUTPUT RATIO
UMMAREDDY VENKATESWARLU

Will the Minister of PLANNING be pleased to state:

(a) whether it is a fact that in the Ninth Plan period the incremental capital output ratio (ICOR) has deteriorated sharply;

(b) if so, the reasons therefor; and

(c) the corrective measures taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY O PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING & MINISTER O STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a): Yes Sir.

(b): The main reasons for increase in incremental capital output ratio (ICOR) includelower rate of growth arising from lower growth in agriculture and manufacturing sectors, lack of aggregate demand, Global recession, Asian crisis Kargil war, etc.

(c): The corrective measures being taken include, increase in public investment and ensuring better utilisation of capacity.